



THE CALIFORNIA DEBT AND
INVESTMENT ADVISORY COMMISSION

Session IV

Presents

***CURRENT PRACTICES IN
ASSESSING AND USING
DEVELOPER IMPACT FEES***

May 4th, 2006



City of Brentwood
Capital Improvement Financing Program

Brentwood CIFP Program

- ❖ Established in Conjunction with Fee Programs
- ❖ Brentwood CIFP is Established Through Ordinance
 - Requires Findings be Made by City
 - Allows City to Require Pre-payment of Fees
- ❖ Gives City Flexibility to Prioritize Funding (Address Bottlenecks)
- ❖ City can Manage Development and Financing Process
- ❖ Program Requires Consent of all Landowners
- ❖ Used for Residential and Commercial

Program Acceptance

- ❖ Annual Program Set up to Fund in July (no capitalized interest)
- ❖ Developers Must Participate in CIFP but Financing is Optional
- ❖ Most Developers do Participate in Financing
- ❖ City Determines the Lien -- Assessment are Easy to Understand
- ❖ Priority has been Roadway Fees, Water, Sewer and Park Fees
- ❖ If there is Excess Capacity may Fund Infrastructure
- ❖ Market Acceptance of Bonds is Excellent (issuance is tied to entitlements)
- ❖ Program is in its 12th Year with Over \$200 million Funded

Establishing Local Agency Priorities

- ❖ Limited Land Secured Debt Capacity
- ❖ Bonds Can Only be Issued on Property Approved for Development
- ❖ Typical CFD Finances Acquisition of Project Off-sites
- ❖ Local Agency can Make Funding of Fees a Priority
- ❖ Fees Can Be Financed and Used for Unrelated Improvements
- ❖ Benefit is Tied to Specific Project Fee Requirement

Financing Fees

- ❖ Fees are Typically Paid at Building Permit
- ❖ Can Finance the Up Front Payment of Fees at Tentative Map
- ❖ Assume 1,000 approved Units with a \$8,500 Traffic Impact Fee
- ❖ Can Require Fees be Pre Paid and Offer Financing
- ❖ Local Agency Receives \$8,500,000 to Use for Fee Program Improvements
- ❖ Funds are not Restricted for Use Within the Project
- ❖ Can Help Alleviate Bottlenecks or Congestion in Other Locations
- ❖ Lien Encumbers Property to Secure Payments

Fee Credits and Reimbursements

- ❖ Brentwood Program Allows for Fee Credits
- ❖ If Fees are Financed -- Receive Credit at Permit
- ❖ Fee Credits are also Allowed for Fee Eligible Improvements
- ❖ Bond Financing is not Double Dipping -- Developer must Accept a Lien

CITY OF BRENTWOOD Capital Improvement Financing Program (CIFP) 1994-Present				
	Bonded Improvements	Bonded Fees	Total	Major Improvements
CIFP 94-1	29,395,213	4,551,204	33,946,417	Balfour Road, Sellers Sewer Sewer and Water Fees
CIFP 98-1	6,850,636	1,653,850	8,504,486	Fairview Avenue Reimbursement Wastewater, Storm, and Water
CIFP 99-1	4,268,844	3,002,824	7,271,668	Balfour, Continente, Grant and Walnut Wastewater, Water and Roadway Fees
CIFP 2000-1	5,462,259	5,266,550	10,728,809	Fairview, O'Hara and Parks Wastewater, Parks, and Roadway Fees
CIFP 2002-1	4,656,909	9,318,515	13,975,424	Lone Tree and Fairview Wastewater, Parks, and Roadway Fees
CIFP 2003-1	3,788,055	11,016,873	14,804,928	Balfour, Empire, Lone Tree Wastewater, Parks, Water and Roadway Fees
CIFP 2004-1	78,241	18,213,786	18,292,027	Wastewater, Parks, Water, Roadway and Hwy 4 Fees
CIFP 2005-1	26,629,254	8,132,554	34,761,808	Fairview Avenue, John Muir Parkway Wastewater, Water, and Roadway Fees
Total	81,129,411	61,156,156	142,285,567	

Statewide Communities Infrastructure Program (SCIP)

SCIP Overview

Program: Statewide Community Infrastructure Program "SCIP"

Purpose: Financing of Development Impact Fees

- Building Permit Fee Reimbursement Program
- Impact Fee Pre-Funding Program

Security: 1913/1915 Act Special Assessment Obligations

- Established Statewide, County-by-County

Issuer: California Statewide Communities Development Authority (CSCDA)

SCIP Programs

Impact Fee
Reimbursement Program:

Reimburses property owners for Impact Fees collected when a ***Building Permit*** is Issued

Impact Fee
Pre-Funding Program:

Provides advance funding of Impact Fees required as a condition of land entitlements.

Reimbursement and Pre-Funding Programs can be combined

Eligible Fees and Improvements

- Infrastructure costs to be publicly owned by a governmental agency (except school fees)
- Improvements identified in the 1913/1915 Assessment Act, including (but not limited to):
 - Street and Roadways
 - Freeway Interchanges
 - Pedestrian Malls
 - Sidewalks
 - Storm Drainage
 - Flood Control
 - Water Supply
 - Street Lighting
 - Parking
 - Landscaping
 - Sewer and Pipelines
 - Parks and Parkways
 - Bridges and Thoroughfares
 - Bicycle and Pedestrian Trails
 - Opens space and Greenbelts

Local Agency Requirements

Must be a member of CSCDA

Adopt resolution consenting to the use
of the SCIP program (contained in SCIP Manual)

Submit SCIP Applications

When tax-exempt bonds are issued, the City executes one bond
closing certificate, which confirms that:

- the Infrastructure financed through with bond proceeds, is
public infrastructure
- Property being assessed has valid entitlements
- Funds will not be spent in violation of
federal tax law

Conducting the Proceedings

- SCIP Prepares the Engineer's Report(s)
 - ✓ MuniFinancial/Willdan engaged by CSCDA for the SCIP Program
 - ✓ Benefit Findings based on payment of fees for project
- Assessment Districts are established by SCIP on County-by-County basis
- Assessment Proceedings Conducted by CSCDA
- Statewide Hearing and Landowner Vote conducted by CSCDA
- CSCDA Authorizes the Sale of Bonds
- City or County does not issue Bonds or levy assessments

Series 2003 Bond Issue

Issuer	Project	Fees
Lincoln	Taylor Village	Transportation
Brentwood	KB Homes Residential	Road and Park Fees
Richmond	Metro Walk BART	Specific Plan Fees
Milbrae	88 Broadway BART	Specific Plan and Storm I
Oxnard	Big T Freight	Road, Wastewater, Storn

Series 2004 Bond Issue

Issuer	Project	Fees
Brentwood	Sunset Industrial	Road, Water, Wastewater
	Ecowater System	Road, Water, Wastewater
Napa	Meritage Hotel	Traffic, Water, Sewer
	Restaurant Budo	Traffic, Water, Sewer
Lincoln	Sterling Point Commercial	Traffic, Park, Water, Drainage
	Golden State Collission	Traffic, Park, Water, Drainage
Roseville	Silver Creek	Traffic, Park, Sewer, Water, Drainage
	Carpet One	Water
Elk Grove	Simas Gateway	Roadway
	Beltway Commerce	Roadway

Series 2005 Bond Issue

Issuer	Project	Fees
Brentwood	Sand Creek Business Center	Road, Water, Wastewater
	Brentwood Assisted Living	Road, Water, Wastewater
	Brentwood Medical Office	Road, Water, Wastewater
	B & M Property	Road, Water, Wastewater
Elk Grove	Beltway Commerce II	Roadway
	Laguna 5	Roadway
Rocklin	Highway 65 Commerce	Transportation
	Blue Oaks Town Center	Transportation
Napa	Napa Extended Stay	Traffic, Water, Sewer
Roseville	Parkside Estates	Traffic, Park, Sewer, Water, Drainage
San Mateo	Los Trancos Woods	Sewer Construction